

Memorandum

To: Chair and Commissioners

Date: August 9, 2002

From: Diane C. Eidam

File No: Reference No. 4.1
ACTION

Ref: STATE LEGISLATION

The Legislature's attention remains focused on the Budget, and as of this date the budget has not been approved. Summaries of current versions of two budget trailer bills related to transportation (SB 1834 and AB 2996) are provided for the Commission's information. The status of the legislative measures dealing with transportation funding is given below. Staff will provide an update on the status of these bills at the Commission meeting.

SB 1834 - as amended June 24, 2002.

(1) Existing law, the Traffic Congestion Relief Act of 2000, creates the Traffic Congestion Relief Fund (TCRF). The purpose of the act is to relieve traffic congestion, provide additional funding for local street and road deferred maintenance, and provide additional transportation capacity in high growth areas of the state. Under the act, the Legislature may authorize loans to the TCRF from the State Highway Account, not to exceed a cumulative total of \$180 million, for projects that are eligible for grants from the TCRF.

This bill would increase the cumulative total of the loan that the Legislature may authorize from the State Highway Account to the TCRF to \$654 million. The bill would require interest to be paid from the General Fund to the TCRF, for transfer to the State Highway Account, on any loan made under these provisions in excess of \$180 million. The bill would additionally allow the Director of Finance to authorize short-term loans from the General Fund to the State Highway Account. The bill would also authorize the Department of Finance to establish the accounting and reporting system used to determine the expenditures, cash needs, and balance in the TCRF, the Public Transportation Account, the State Highway Account, and the Toll Bridge Seismic Retrofit Account.

(2) Existing law creates the State Highway Account in the State Transportation Fund in which are deposited various transportation revenues subject to Article XIX of the Constitution, including fuel tax revenues. The Constitution authorizes loans of these and other related revenues to the General Fund under certain circumstances. This bill would authorize a \$173 million loan from the State Highway Account to the General Fund, to be repaid with interest no later than June 30, 2005.

AB 2996 - as amended June 29, 2002.

(1) Existing law authorizes the California Transportation Commission to allocate federal and state transportation funds to the Department of Transportation for commitment to the California Economic Development Financing Authority for implementing the Transportation Finance Bank. This bill would revise these provisions to instead require Caltrans to act as a lender in administering the Transportation Finance Bank. The bill would require Caltrans to develop guidelines and loan documents for the program and to present them to the Commission for adoption. The bill would create the Local Transportation Loan Account in the State Highway Account in the State Transportation Fund for the management of funds for loans to local entities under these provisions. The bill would require specified funds and interest and penalties to be deposited in the new account. The money in the new account would be continuously appropriated to the department. The bill would require Caltrans to report to the Legislature annually on the program.

(2) Existing law creates the Seismic Safety Retrofit Account in the State Transportation Fund, and requires each annual proposed transportation budget to include an amount recommended to be transferred from the State Highway Account to the Seismic Safety Retrofit Account based upon the estimate of state funds necessary to fund the seismic retrofit program during the budget year. Under the program, publicly owned state and local bridges throughout the state, including pedestrian and rail transit bridges, are evaluated for seismic structural sufficiency and projects funded from the Seismic Safety Retrofit Account are undertaken to remedy any deficiency. This bill would repeal these provisions. The bill would transfer any funds remaining in the Seismic Safety Retrofit Account to the State Highway Account effective June 30, 2002, with any outstanding encumbrances to be paid from the State Highway Account. The bill would authorize Caltrans to administer local seismic safety bridge retrofit projects consistent with requirements applicable to other local bridge projects and to allocate State Highway Account funds to those projects to the extent funding is provided through the annual Budget Act.

(3) Existing law creates the Toll Bridge Seismic Retrofit Account in the State Transportation Fund for the purpose of funding seismic retrofit or replacement of state-owned toll bridges, and the money in the account is continuously appropriated to Caltrans for this purpose. Existing law generally requires state agencies seeking to invest funds or to sell or exchange securities to obtain prior approval from the Department of Finance. This bill would authorize the Department of Transportation, in consultation with the Department of Finance and the Office of the State Treasurer, to invest bond or commercial paper proceeds deposited into the account in obligations permitted by the Treasurer, and would require those investments to be included as cash balance for purposes of reporting the condition of the account. The bill would prohibit the use of this interest income or of reserve funds to pay project costs in excess of a specified amount, and would prohibit the existence of reserve funds, other than debt service reserve funds, subsequent to the completion of seismic retrofit projects. The bill would authorize the Department of Finance to establish the accounting and a reporting system used to determine the expenditures, cash needs and the balance of the account.

(4) Under existing law, certain fines and fees collected from motor carriers of property are deposited in the Motor Carriers Permit Fund. This bill would abolish the Motor Carriers Permit Fund effective July 1, 2003, and cause those fines and fees to be deposited in the Motor Vehicle Account in the State Transportation Fund. This bill would require any unencumbered balance remaining in the Motor Carriers Permit Fund on June 30, 2003, to be transferred and deposited into the Motor Vehicle Account. This bill would require that any other amounts collected or received as revenues or transfers directed to the Motor Carriers Permit Fund after June 30, 2003, shall also be transferred and deposited into the Motor Vehicle Account.

(5) Existing law requires the Department of Motor Vehicles to publish and distribute copies of the California Vehicle Code, and other specified laws, to specified government entities and to public secondary schools who request a copy, at no cost. Existing law requires the department to provide a copy upon request to any other person at a cost not to exceed \$3. This bill instead would require the department to distribute the copies at a charge sufficient to pay the entire cost of publishing and distribution.

(6) Existing law establishes fees for original and renewal registration of vehicles, and weight fees for commercial vehicles, to be collected by the Department of Motor Vehicles. Existing law also establishes various penalty fees for late registration of vehicles. This bill would revise the provisions relating to late fees, to be applied on or after January 1, 2003, and would appropriate \$3,693,000 from the funds collected from the registration, but not specified penalty fees to the Department of Motor Vehicles for purposes of implementing certain provisions of this act.

(7) Existing law authorizes the Department of Motor Vehicles to permit inspection of, or sell, or both, information from its records concerning the registration of any vehicle or information from the files of drivers' licenses, with specified limitations, at a charge sufficient to pay the actual cost to the department for providing the inspection or sale of the information, with the charge to be determined by the director of the department. This bill would revise these provisions to be consistent with other related provisions that allow the department to sell copies of its records at a charge sufficient to pay at least the actual cost to the department.

(8) Existing law authorizes the Department of Motor Vehicles to allow access to the department's database, with specified limitations, by special permit for the purpose of obtaining vehicle registration information for commercial use. Existing law provides that the director of the department must charge fees for the direct-access service permits, and must charge fees sufficient to pay at least the entire actual cost to the department for any information copied from the files. This bill would expand the authorization of the director to permit access to the department's database for any information rather than merely vehicle registration information, as provided. This bill would also provide that the director must charge fees sufficient to pay at least the actual cost to the department for any information copied from the files, as specified.

(9) Existing law requires the Department of Motor Vehicles to notify a person by certified mail, return receipt requested, when the department suspends or revokes the person's privilege to operate a motor vehicle. Existing law also provides a conclusive presumption that a person has

knowledge of the suspension or revocation if notice is sent pursuant to these provisions. This bill would instead, require the department to send the notice by first-class mail, and would provide that the presumption of notice is rebuttable, and that the presumption affects the burden of proof. The bill would make other technical and conforming changes to these provisions.

(10) Existing law provides for the payment of a \$12 fee in conjunction with an application for an original driver's license. This bill, on or after July 1, 2003, would require the payment of an additional \$5 for any person who fails to successfully complete the driving skill test on the first attempt, for each additional driving skill test administered under that application.

(11) Existing law provides for the payment of a \$15 fee in conjunction with an application for a renewal of a driver's license. This bill in addition, on or after July 1, 2003, would require the payment of an additional \$5 for any person who fails to successfully complete the driving skill test on the first attempt, for each additional driving skill test administered under that application.

(12) Existing law requires the payment of a \$100 fee for administrative costs before a driver's license may be issued, reissued, or returned to a person, where the person's privilege to operate a motor vehicle was suspended or revoked by the department for specified reasons. This bill would increase that fee to \$125.

(13) Existing law provides that persons subject to a hearing for suspension or revocation of their driver's license for specified reasons may request a departmental review of the decision taken pursuant to the hearing. This bill would impose an administrative fee of \$120 to pay for the costs of the departmental review.

STATUS OF TRANSPORTATION FUNDING MEASURES

AB 1779 (Strickland) - Harbor Districts

SUMMARY: Authorizes the board of a harbor district to borrow money by issuance of promissory notes, or execute conditional sales contracts to purchase personal property up to \$2 million for the purposes of acquiring land for, and constructing or operating, any work, project, or facility authorized under specified law.

STATUS: In Assembly Local Government Committee

Amended in Assembly Local Government Committee 04/30/02

AB 1782 (Kehoe) - Harbors And Ports Security Bonds

SUMMARY: Enacts the Harbor and Port Protection Bond Act of 2002, which would authorize the issuance of bonds, pursuant to the State General Obligation Bond Law, in a specified amount for purposes of financing capital improvement projects that provide enhanced security at harbors and ports. Declares that it is to take effect immediately as an urgency statute.

STATUS: Passed Assembly Transportation Committee 04/08/02

Passed Assembly Natural Resources Committee 04/15/02

In Assembly Appropriations Committee 05/22/02

AB 2078 (Briggs) - Rail Consolidation Project Funding

SUMMARY: Amended 05/13/02. The Department of Transportation is currently authorized to allocate federal congestion mitigation and air quality program funds for transportation projects in accordance with federal law. This bill would provide that projects for consolidation of railroad lines from multiple corridors into a single corridor shall be included among the projects eligible to receive these funds to the extent permitted under applicable federal law and upon a determination that a consolidation project will reduce traffic congestion and decrease vehicular exhaust emissions. The commission shall develop and adopt eligibility criteria and guidelines governing the use of congestion mitigation and air quality program funds pursuant to paragraph (1)

STATUS: Passed Assembly 05/20/02
Passed Senate Transportation Committee 06/18/02
In Senate Appropriations Committee 06/25/02

AB 2206 (Salinas) - Transportation: Rail Service

SUMMARY: Requires that funds previously allocated to the City of Seaside for the Fort Ord rail station right-of-way acquisition could also be used by the Transportation Agency for Monterey County for work at the Monterey Bay rail station without additional approval.

STATUS: Passed Assembly 05/29/02
Passed Senate Transportation Committee 06/25/02
In Senate Appropriations Committee 06/27/02

AB 2232 (Wyman) - State Highway Route 138: Funding

SUMMARY: Amended 04/25/02, to appropriate \$12,000,000 from the State Highway Account to the department for the immediate expansion of the bridges located on State Highway Route 138 that cross Big Rock Creek .

STATUS: In Assembly Transportation Committee 05/06/02

AB 2275 (Aanestad) - Transportation, Local Road Rehabilitation

SUMMARY: Authorizes the regional transportation improvement program to include projects for the rehabilitation of local streets and roads in counties meeting certain conditions.

STATUS: Failed passage in Assembly Transportation Committee 04/08/02.

AB 2333 (Nakano) - Transportation: Interregional Transportation Program Funding

SUMMARY: Amended 05/16/02. This bill would require the Southern California Association of Governments (SCAG) to assure that the aviation program of the regional transportation plan prepared and adopted by its SCAG provides a fair share distribution of the burdens among the counties in the SCAG region and that principles of environmental justice are followed in developing the aviation program. The bill would require SCAG to adhere to principles of environmental justice by conforming to provisions of applicable state law in developing the aviation program.

STATUS: Passed Assembly 05/29/02
Passed Senate Transportation Committee 08/06/02
In Senate Appropriations Committee 08/08/02

AB 2360 (Dutra) - Freeway Service Patrols

SUMMARY: Specifies that the funding for emergency roadside assistance on a freeway located in an urban area be made using a formula-based allocation. Creates the Competitive Freeway Service Patrol Grant Program to provide funding for a freeway service patrol system to reduce traffic congestion. Requires the Department of Transportation to develop specified guidelines for this program. This section shall be operative only if funds are appropriated for its purposes in the annual Budget Act.

STATUS: Passed Assembly 05/29/02

Passed Senate Transportation Committee 06/25/02

In Senate Appropriations Committee 08/05/02

AB 2369 (Salinas) - Transportation Accessibility Bond Act

SUMMARY: Enacts the Transportation Accessibility Bond Act which, subject to voter approval, would provide for the issuance of \$500 million of general obligation bonds, the proceeds of which would be used for the purpose of funding the construction of or improvements to various state and local highway and transit systems in order to establish or expand services for seniors or the disabled to improve accessibility of those systems to persons with disabilities.

STATUS: Passed Assembly Transportation Committee 04/15/02

In Assembly Appropriations Committee 05/22/02

AB 2650 (Lowenthal) - Air Pollution: Diesel Emissions: Particulate Matter

SUMMARY: Amended 08/05/02 to require each marine terminal in the state to operate in a manner that does not cause the engines on trucks to idle for more than 30 minutes while waiting to load or unload at the terminal, and would charge the district with geographical jurisdiction over that marine terminal with enforcing the requirement. The bill would make any owner or operator of a marine terminal that acts in violation of that requirement subject to a fine. The bill would also make any owner or operator that takes action to pass the costs of that fine onto the owner or operator of a truck a misdemeanor, thereby creating a new crime. The bill would impose a fine on the owner or operator of the marine terminal or port for taking any action to divert idling trucks to area freeways or alternate staging areas. The bill would exempt from the requirement any marine terminal that provides specified staffing at receiving and delivery gates. The bill also would exempt from the requirement, until July 1, 2003, any marine terminal that implements, or begins to implement, a scheduling or appointment system for trucks to enter the marine terminal. The bill would require any moneys resulting from fines imposed pursuant to these provisions to be deposited in the California Port Community Air Quality Program Trust Fund, created by this bill.

STATUS: Passed Assembly 05/29/02

Passed Senate Transportation Committee 06/25/02

Passed Senate Local Government Committee 08/07/02

In Senate Appropriations Committee 08/08/02

AB 2719 (Maldonado) - Aeronautics

SUMMARY: Amended 04/23/02. This bill would express the Legislature's intent to implement , upon appropriation of funds in the annual Budget Act, certain recommendations regarding airport safety and security needs identified in the commission's 2001 annual report.

STATUS: Passed Assembly 05/28/02

In Senate

AB 2809 (Longville) - Sales and Use Tax Exemption: Diesel

SUMMARY: Clarifies, for purposes of the diesel fuel sales and use tax exemptions, the definition of farming activities.

STATUS: In Assembly Revenue and Taxation Committee

AB 2897 (Wiggins) - Sales and Use Taxes: Exemptions: Fuel

SUMMARY: Amended 05/13/02. Exempts, until 01/01/06, from sales and use tax the gross receipts in excess of \$0.50 per gallon derived from the sale in this state of, and the storage, use, or other consumption in this state of, fuel and petroleum products sold to or purchased by air common carriers. Requires Legislative Analyst to conduct a review of the jet fuel tax exemption established by this section and release a report on the findings by April 1, 2005. This review shall include, but not limited to, a determination of whether this jet fuel tax exemption increased fuel sales in California, and whether any such increase in fuel sales had any revenue or economic impacts on the state.

STATUS: Passed Assembly Revenue and Taxation Committee 05/15/02

In Assembly Appropriations Committee 05/22/02

AB 3025 (Committee on Transportation) - Environmental Enhancement Project

SUMMARY: Requires the Department of Transportation to extend the completion date for the Ueda Parkway Off-Road Recreation and Environmental Enhancement Project and the Eastern Sierra Interagency Visitor Center Environmental Enhancement and Mitigation Project in Lone Pine to June 30, 2007; revises, under the State Contract Act, the partial payment amount and limit with respect to large, complex projects over water requiring marine access.

STATUS: Passed Assembly 05/23/02

Passed Senate Transportation Committee 06/25/02

In Senate Appropriations Committee 08/05/02

AB 3026(Committee on Transportation) - Transportation: Funding

SUMMARY: Amended 06/10/02. Provide that the projects included in the STIP would be counted against the STIP interregional improvement program share for a project in the interregional improvement program and the county share for the county in which a project is located for a project in a regional improvement program.

STATUS: Passed Assembly 05/02/02

Passed Senate Transportation Committee 06/18/02

Passed Senate Appropriations Committee 08/05/02

On Senate Floor 08/07/02

Preprint SB 1 (Karnette) - Container Facility Charges

SUMMARY: Establishes the Southern California Freight Management Agency and prescribes its authority, including the authority to collect a container facility charge on each full and empty container brought into a port of this state south of, and including, Port Hueneme by a foreign or domestic commercial vessel. Requires the Board of Port Commissioners of the City of Oakland to establish an agency under its jurisdiction to collect the charge north of Port Hueneme.

STATUS: 09/19/2001 INTRODUCED.

SB 10 XXX (Sher) - Sales and Use Taxes: Exemption: Diesel

SUMMARY: Clarifies, for purposes of the diesel fuel sales and use tax exemption, the definition of "farming activities." Makes legislative findings and declarations relating to the state budget.

STATUS: Died on Senate Floor 03/14/02

SB 1262 (Torlakson) - Regional Improvement Program Funding (STIP)

SUMMARY: Amended 04/23/02. Would require that not less than 10% of the funds in a STIP County Share, for counties with a population greater than 200,000, shall be used for a transportation incentive program to reward local jurisdictions that promote development patterns that reduce traffic congestion, provide a better jobs-housing balance, and promote new housing and other developments within walking distance of local shops, schools, and businesses.

STATUS: Passed Senate Transportation Committee 04/02/02
In Senate Appropriations Committee 05/23/02

SB 1456 (Knight) - Transportation: Funding, State Route 138

SUMMARY: Appropriates \$187.3 million from the General Fund to the Department of Transportation for allocation to widen State Highway Route 138 from 2 to 4 lanes between Avenue T and 165th Street in the County of Los Angeles and to realign State Highway 58 for safety purposes at the Boron "S" curve near the City of Boron.

STATUS: Failed passage in Senate Transportation Committee 04/02/02

SB 1510 (Knight) - Sales and Use Tax: Exemptions: Fuel

SUMMARY: Provides a sales and use tax exemption for the sale of fuel and petroleum products to air common carriers for immediate shipment outside this state for consumption in the conduct of their business.

STATUS: In Senate Revenue and Taxation Committee 04/10/02

SB 1533 (Poochigian) - Airport Security: Airport Improvement Grants

SUMMARY: Amended 07/03/02. This bill would, until December 31, 2006, authorize Caltrans, upon allocation of funds by the commission, to pay a public entity up to 100% of the local matching share of a federal Airport Improvement Program grant for security projects at small general aviation airports (fewer than 100,000 annual airport operations).

STATUS: Passed Senate 05/29/02
Passed Assembly Transportation Committee 06/24/02
In Assembly Appropriations Committee 07/03/02

SB 1608 (Morrow) - Fuel Taxes: Emergency Service Providers

SUMMARY: Provides an exemption under the Motor Vehicle Tax Law and the Diesel Fuel Tax Law for local emergency service providers, and would make related and conforming changes.

STATUS: Failed passage in Senate Revenue and Taxation Committee 04/10/02

SB 1794 (Torlakson) - Transportation: Authorities

SUMMARY: Amended 04/16/02. Authorizes certain transportation authorities to impose transportation user and regulatory fees. Requires such fees would be subject to a local ballot measure requiring 55% voter approval. Requires transportation projects and services undertaken with those fees to meet certain requirements. Enacts other related provisions.

STATUS: In Senate Transportation Committee 04/16/02

SB 1853 (Murray) - Transportation Noise Reduction, Safety Program

SUMMARY: Enacts the Transportation Noise Reduction, Safety Enhancement, and Congestion Relief Bond Act of 2002 which, if adopted, would authorize, for purposes of financing transportation noise reduction, safety enhancement, and congestion relief projects, the issuance, of bonds in the amount of \$1 billion. Provides for the submission of the bond act to the voters at a future election in accordance with applicable law.

STATUS: In Senate Transportation Committee 03/07/02

SB 1856 (Costa) - High-Speed Train Bond Act of 2002

SUMMARY: Amended 07/03/02. Enacts the High-Speed Passenger Train Bond Act of 2002, which, subject to voter approval, would provide for the issuance of \$9 billion of general obligation bonds, on or after January 1, 2006, the proceeds of which would be used for the purpose of funding the planning and construction of a high-speed train system in this state pursuant to the business plan of the High-Speed Rail Authority.

STATUS: Passed Senate 05/29/02

Passed Assembly Transportation Committee 06/24/02

In Assembly Appropriations Committee 08/07/02

SB 1858 (Burton) – State Route 480

SUMMARY: Amended 04/18/02. Existing law deletes State Highway Route 480 from the state highway system and requires the department to remove the earthquake-damaged structure, transfer the Route 480 right-of-way to the City and County of San Francisco, and jointly agree with the city and county on a system of ramps and city streets to provide accessibility comparable to that provided by Route 480. This bill would make a nonsubstantive change to this section.

STATUS: Passed Senate 05/02/02

Passed Assembly Transportation Committee 06/24/02

Passed Assembly 06/30/02

To Enrollment

SB 1888 (Poochigian) - Transportation Investment Fund

SUMMARY: Limits the reallocation to the Department of Transportation gasoline sales tax revenues to an amount that does not exceed the amount that would have been allocated under these provisions to the department in fiscal years 2001 and 2002 if Chapter 113 of the Statutes of 2001 had not been enacted. Provides for an allocation of gasoline sales tax revenues to cities and counties in fiscal years 2006 and 2007. Makes an appropriation.

STATUS: In Senate Transportation Committee 03/21/02

SB 2073 (Johannessen) - Short Line Railroads

SUMMARY: Amended 05/23/02. Creates in the State Transportation Fund the Short Line Railroad Improvement Account to be administered by Caltrans. Authorizes Caltrans to approve grants for short line railroads to be funded from the account. This program shall be implemented provided that funding is available from federal funds allocated for purposes of the program.

STATUS: Passed Senate 05/28/02

Passed Assembly Transportation Committee 06/24/02

In Assembly Appropriations Committee 08/07/02

SCA 11 (Murray) - Loans of Transportation Revenues and Funds

SUMMARY: Requires any loan of certain motor vehicle fuel and vehicle-related revenues or trust funds that is not repaid within the same fiscal year, or by a date not more than 30 days after the enactment date of the budget bill for the subsequent fiscal year, to be repaid with interest at a specified rate; provides that a loan of these funds may also be made to other state funds or accounts under the conditions applicable to loans to the General Fund.

STATUS: Passed Senate Transportation Committee 04/25/02

Passed Senate Committee on Constitutional Amendments 05/08/02

In Senate Appropriations Committee 05/23/02

SJR 36 (Murray) - Federal Highway Funding

SUMMARY: Supports the efforts of the House of Representatives and the United States Senate to restore federal highway funding for 2003 to the levels anticipated in the Transportation Equity Act for the Twenty-First Century.

STATUS: Adopted by the Senate 03/04/02

Adopted by the Assembly 04/08/02

Chaptered (04/15/02), Resolution Chapter No. 31